

GARDNER ENERGY

ECONOMIC DEVELOPMENT RIDER

(Issued 08/01/13)

Purpose:

The purpose of this Economic Development Rider is to encourage, stimulate and incent industrial and commercial business development in Gardner to generate economic and employment growth and sustainable business and community development. This Rider offers reduced electric rates for use of unoccupied buildings, major expansions and new businesses. These activities will attract capital expenditures to Gardner, create jobs, diversify Gardner Energy's customer base and serve to improve the utilization efficiency of existing Utility facilities.

Availability:

Electric service under this Rider is only available in conjunction with local, regional and state governmental economic development activities where incentives have been offered and accepted by the Customer to locate new facilities or expand existing facilities in Gardner Energy's service area. For purposes of this Rider, a new facility shall be defined as a facility that has not received electric service in the Utility's service area within the last twelve (12) months. Electric service under this Rider is only available to a Customer otherwise qualified for service under Gardner Energy's Electric Rates and Service Rules. Electric service under this Rider is not available in conjunction with service provided pursuant to any other special contract agreements.

The availability of the Rider shall be limited to industrial and commercial facilities. Customers receiving service under this Rider must qualify under the criteria of this Rider. The Electric Director shall review and document the customer's qualifications, and present this information with a recommendation to the Electric Utility Board (EUB). The EUB has the final approval for allowing a Customer to receive service under this Rider.

Applicability:

The Rider is applicable to unoccupied or new facilities or additional separately-metered facilities. The above availability criteria and the following applicability criteria will be major considerations for the EUB to determine Customer compliance:

1. Customer qualifies to take service under the Utility's Commercial Electric Heat rate, Commercial with Demand rate or Large Commercial rate.
2. Peak demand of the renovated, new or additional facility is reasonably projected to be at least one-hundred (100) kW within two years of the date the Customer first receives service under this Rider.

3. Customer creates a minimum of five (5) new permanent full-time jobs.

In addition, other factors to be considered by the EUB are:

4. Facility's operation results in new off-peak electric usage/load that improves the Utility's system load factor.
5. Customer establishes a business activity or process that utilizes a new and/or innovative technology.
6. Customer makes a significant capital investment.

All requests for service under this Rider will be considered by Gardner Energy. Sufficiently detailed information shall be provided, by the Customer, to enable the Utility to determine whether a facility is qualified for the Rider. Service under this Rider shall be evidenced by a contract between the Customer and the Utility.

Incentive Provisions:

1. Revenue Determination: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with existing electric rate schedules as follows:

If the peak demand of the facility is at least one-hundred (100) kW within two years of the date the Customer first receives service under this Rider, the applicable charges will be reduced by 15% during the first contract year, 10% during the second contract year and 5% during the third contract year. After the third contract year, this incentive provision shall cease, and all other billing, operational and related provisions of the aforementioned electric rate schedules shall remain in effect.

If the peak demand of the facility is at least two-hundred (200) kW within two years of the date the Customer first receives service under this Rider, the applicable charges will be reduced by 30% during the first contract year, 25% during the second contract year, 20% during the third contract year, 15% during the fourth contract year and 10% during the fifth contract year. After the fifth contract year, this incentive provision shall cease, and all other billing, operational and related provisions of the aforementioned electric rate schedules shall remain in effect.

Bills for separately metered service to existing Customers, pursuant to the provision of this Rider will be calculated independently of any other service rendered to the Customer at the same or other locations.

2. Shifting of Existing Load: For Customers with existing facilities at one or more locations in the Utility's service area, this Rider shall not be applicable to service

provided at any other delivery point prior to receiving service under this Rider. Failure to comply with this provision may result in termination of service under this Rider.

3. Local Service Facilities: The Utility will not require a contribution in aid of construction for standard facilities installed to serve the Customer if the expected revenues from the new load are determined to be sufficient to justify the required investment in the facilities.

Termination

Failure of the Customer to meet any of the applicability criteria of this Rider, used to qualify the customer for acceptance on the Rider, within two (2) years of the date service begins, may lead to termination of service under this Rider. In addition, should the Customer vacate any facility for which this Rider has been granted and/or move the operation to a location outside the Gardner Energy service territory, within five (5) years of the selected start date, the Customer shall be required to refund Gardner Energy the full amount of the discount awarded plus applicable taxes.